



FEDERAL MARITIME COMMISSION

[DOCKET NO. 18-03]

JC Horizon Ltd.

V.

China Shipping Container Lines Co. Ltd.

Notice of Filing of Complaint and Assignment

Notice is given that a complaint has been filed with the Federal Maritime Commission (Commission) by JC Horizon Ltd., hereinafter “Complainant,” against China Shipping Container Lines Co. Ltd., hereinafter “Respondent.” Complainant states that it is an exporter of recycled materials. Complainant states that Respondent “...was a China-based ocean common carrier providing international services...” that merged with the company China Ocean Shipping Company to become the business known as COSCO Shipping in 2016.

Complainant states it utilized Respondent’s services to transport “...38 containers of Distillers Dried Grain...” from Los Angeles, CA to Huangpu, China under a Service Contract. Complainant states that Respondent did not deliver the cargo to Huangpu, China and instead unloaded the containers at Nansha, China and “...indefinitely [held] them there.” Complainant alleges that Respondent expected payment for detention and demurrage charges totaling to more than \$600,000.” The cargo was ultimately disposed of by Respondent after it was stored in Nansha for 287 days. Complainant entered in to arbitration with Respondents pursuant to a provision in their Service Contract and “...the

panel issued an award in [Respondent's] favor." Complainant alleges "[Respondent] has no basis for attempting to levy demurrage and detention charges incurred as a result of an intermediate offloading and delay docking at Nansha for a shipment that never reached its port of discharge/place of delivery." Complainant also alleges that "the Service Contract [between the parties] does not permit [Respondent] to collect demurrage or detention charges from [Complainant] associated with the stopover at an interim location (Nansha)."

Complainant alleges Respondent "...has violated and continues to violate the following provisions of the Shipping Act:

- "1. **46 U.S.C. § 41104(2)(A)**: It is a violation of the Shipping Act for [Respondent] to provide service or attempt to impose any fees or charges that are not contained in a properly published tariff or executed service contract...
2. **46 U.S.C. § 41104(4)(A)**: It is a violation of the Shipping Act for [Respondent] to engage in unfair practices with respect to rates or charges under its tariff...
3. **46 U.S.C. § 41104(10)** It is a violation of the Shipping Act for [Respondent] to unreasonably refuse to deal or negotiate...
4. **46 U.S.C. § 41102(c)** [Respondent] further violated the Shipping Act by failing to establish and enforce just and reasonable practices relating to the handling and delivery of property...
5. **46 C.F.R. § 530.8(b)(12) and (c)(1)** The regulations governing service contracts require that a service contract set forth all provisions of the contract and that terms may not be 'uncertain, vague or ambiguous'..."

Complainant seeks an order for Respondent "to cease and desist from any further violations of the shipping Act, including any efforts to enforce the arbitration award or to collect any monies from Claimant..." and other relief. The full text of the complaint can be found in the Commission's Electronic Reading Room at www.fmc.gov/18-03/.

This proceeding has been assigned to the Office of Administrative Law Judges. The initial decision of the presiding officer in this proceeding shall be issued by May 15, 2019, and the final decision of the Commission shall be issued by November 29, 2019.

Rachel E. Dickon,
Secretary.
Billing Code: 6731-AA

[FR Doc. 2018-10662 Filed: 5/17/2018 8:45 am; Publication Date: 5/18/2018]